

FISCAL NOTE

Bill #: HB0076

Title: Establish certified regional development corporations and treasure communities

Primary Sponsor: Mckenney, J

Status: As Amended in House Committee

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	FY 2004 <u>Difference</u>	FY 2005 <u>Difference</u>
Expenditures:	\$0	\$0
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

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|--|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. HB 76 establishes Certified Regional Development Corporations and Treasure Communities, redirects a statutory appropriation to provide funding to the new entities, establishes the Economic Development Advisory Council and a four-member Legislative Consulting Panel, and abolishes the Micro Business Advisory Council.
2. Replacing the Micro Business Advisory Council with an Economic Development Advisory Council with greater duties and responsibilities is not expected to incur administrative costs greater than those currently budgeted for in the Governor's Executive Budget request. However, the four-member Legislative Consulting Panel expenses are not currently budgeted, and HB 76 as amended is silent as to whether the Department of Commerce or the Legislative Services Division is responsible for these expenditures.
3. Under current law a statutory appropriation of \$425,000 each fiscal year is directed to Certified Communities. Eight percent of that amount is used for administration of the program and one percent is used for helping communities become certified. The total grant amount available to communities after deducting these percentages is \$386,750. HB 76 proposes to redirect that statutory appropriation to Certified Regional Development Corporations. Since there is no change in the amount of the statutory appropriation there would be no fiscal impact on state expenditures.

Fiscal Note Request HB0076, As Amended in House Committee

(continued)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Since HB 76 redirects an existing statutory appropriation, some communities that currently receive funding from this program will no longer, should this bill pass. The maximum and minimum amount of money that any community has received under this program is \$25,000 and \$4,285, respectively. Because every community is eligible to apply, the average funding has been going down. Forty-five communities received funding in the first year and 66 communities received funding in the second year. The third year of funding would have been FY 2003; however, funding was suspended for the program this fiscal year during the August 2002 Special Session. Statutorily, the appropriation will continue in FY 2004 and FY 2005.